



## **Regional Airport Planning Committee**

March 14, 2008

**TO:** Regional Airport Planning Committee  
**FROM:** Staff of the Regional Airport Planning Committee  
**SUBJECT:** Letter Supporting Proposed FAA Amendments to Airport Rates and Charges Policy

The Federal Aviation Administration is proposing to amend its 1996 Rates and Charges Policy that governs fees charged for airfield use by an airport proprietor. The Federal Register notice states that the proposed amendments to this policy “are intended to provide greater flexibility to operators of congested airports to use landing fees to provide incentives to air carriers to use the airport at less congested times or use alternate airports to meet regional air service needs”. This policy change is one avenue the FAA is exploring to help ease rising runway and airspace congestion around the country as the number of scheduled passenger aircraft operations continues to increase.

In Phase 1 of the ongoing Regional Airport System Planning Analysis, RAPC heard from an expert panel on various approaches to airport demand management, including congestion pricing (see Attachment B). The Committee’s work in Phase 2, which is about to begin, will also focus on potential demand management approaches that could be employed in the future to bring the number of airline operations into closer alignment with available runway capacity.

The key aspect of the FAA’s proposed policy change is that it will clearly establish the ability of an airport operator to put into effect a two-part landing fee that would include both an “operations” charge and the more traditional weight-based landing fee. The idea behind the operations charge is that it would generally be applied in the peak periods and would create a monetary incentive for airlines to use larger aircraft carrying more passengers per operation, switch more flights to non-congested periods, or use less congested alternative airports. The policy will be limited in its effect by other FAA policies, particularly the requirement that airfield revenues cannot exceed the cost incurred by an airport to operate and maintain the airport.

There are two other aspects of the policy change that staff is not commenting on. The first would enable an airport to include in the landing fees at the congested airport a portion of the airfield costs at another underutilized airport that is operated by the same proprietor. This situation does not exist in the Bay Area for the commercial airport system. The other amendment would enable an airport proprietor of a congested airport to charge airlines a portion of the costs of airfield facilities that are under construction, but not yet usable. This issue is more appropriate for comment by the individual airport operators. The policy also includes various definitions of “congested airports” since these two amendments would only apply to congested airports.

**Recommendation.** Staff believes the proposed comment letter is consistent with the Phase 1 Recommendations on Demand Management, and Staff recommends that the Committee approve the attached comments for transmittal to the FAA (Attachment A).